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SIPDIS

STATE FOR PM DAS SUCHAN, EUR/WE, AND EUR/ERA

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TAGS: [MARR](#) [ETTC](#) [PREL](#) [FR](#) [EUN](#)

SUBJECT: EU-CHINA ARMS EMBARGO: LATEST FRENCH THINKING

REF: A) 2004 PARIS 7015 B) 2004 PARIS 6853 C)

01/18/05 REIDHEAD-RECINOS E-MAIL

Classified By: Political Minister-Counselor Josiah Rosenblatt, reason 1  
.4 B and D

1. (C) Following recent EU discussions on lifting the EU arms embargo on China (ref C), we spoke with Jacques Maillard, MFA DAS-equivalent for export controls, with respect to French thinking on this issue. Maillard said that the EU had already decided in December to lift the arms embargo by the end of the Luxembourg EU presidency and that consensus on a revised code of conduct had been reached at the same time, but that the UK had held up the final decision on a technicality, not on substance. Since then, consensus was again emerging on the revised code of conduct, although it was a very slow, "snail-like" process. Additionally, in response to our questions, Maillard said France was now prepared to accept the "toolbox," which was designed to increase the effectiveness of the code of conduct. He ventured that immediate progress on lifting the arms embargo was not imminent as the EU would need to discuss the issue at COREPER and other EU meetings. Maillard, nonetheless, expressed confidence that the embargo would be lifted by the end of the "first trimester."

2. (C) We again observed that lifting the embargo would increase arms sales to China and cited the January 19 front page Financial Times article, which talked about the increase (doubling) of EU arms sales licenses to China between 2002 and 2003. Maillard cautioned that approval of a license and the export of the approved material was quite different. He noted that the value of approved French licenses in 2003 was 171 million euros, but actual exports were only worth 16 million euros. In 2002, licenses were approved to the value of 150 million euros and actual exports totaled 10.8 million euros.

3. (C) Comment: Maillard, like others in the EU, can be expected to continue to argue that the embargo has not been effective in controlling the export of lethal weapons and that the lifting of the embargo is inevitable. They will use most arguments to justify this view, such as the one above that actual exports were smaller than the number of licenses granted. While the numbers provided by Maillard for France are relatively small, we note that the increase in exports from 2002 to 2003 was still roughly 48 percent. End comment.

Wolff